

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 (INCLUDING AS IT FORMS PART OF THE LAWS OF ENGLAND AND WALES BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR")).

19 September 2023

Ferro-Alloy Resources Limited
("Ferro-Alloy" or the "Group" or the "Company")

Exempt Offer Bond Programme - Second Tranche

Ferro-Alloy Resources Limited (LSE:FAR), the vanadium producer and developer of the large Balasausqandiq vanadium deposit in Southern Kazakhstan, is pleased to announce the launch of the second tranche of the Company's exempt US\$20 million offer bond programme valid until 31 July 2033, with a nominal value of US\$5m.

Summary

- As previously announced on 27 July 2023, the Company launched a new exempt offer bond programme (the "Programme") where all bonds issued under the Programme will be listed on the Astana International Exchange ("AIX") in Kazakhstan.
- The first tranche of bonds (nominal value of US\$3m) issued under the Programme have been materially sold (1,447 out of 1,500 units sold) and as a result the Company has launched a second tranche of bonds (the "Second Tranche") with a nominal value of US\$5m.

Second Tranche

- On 19 September 2023, the Company listed the Second Tranche issued under the Programme on the AIX.
- The proceeds from the sale of the Second Tranche will be used to accelerate the development of the Balasausqandiq project, including front-end engineering.
- A summary of the terms and conditions of the Second Tranche is as follows:
 - ISIN: KZ000001623
 - Specified currency: US Dollars
 - Face value: US\$100 (one hundred US dollars)
 - Number of bonds: 50,000 (fifty thousand) units
 - Total nominal amount of the bonds: US\$5,000,000 (five million US dollars)
 - Issue date: 19 September 2023
 - Last date of the circulation period: 18 September 2026
 - Maturity date: 19 September 2026
 - Coupon rate: 10.0% fixed of the nominal value of the bonds issued
 - Frequency of interest payments: quarterly, 19 December, 19 March, 19 June and 19 September of each year during the circulation period, commencing on 19 December 2023
 - Coupon basis: 30/360
- Trading of the Second Tranche will commence on 20 September 2023.

For further information, visit www.ferro-alloy.com or contact:

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About Ferro-Alloy Resources Limited:

The Company's operations are all located at the Balasausqandiq deposit in Kyzylordinskoye Oblast in the South of Kazakhstan. Currently the Company has two main business activities:

- a) the high grade Balasausqandiq vanadium project (the "Project"); and
- b) an existing vanadium concentrate processing operation (the "Existing Operation")

Balasausqandiq is a very large deposit, with vanadium as the principal product together with several by-products. Owing to the nature of the ore, the capital and operating costs of development are very much lower than for other vanadium projects.

The most recent mineral resource estimate for ore-body one (of seven) provided an Indicated Mineral Resource of 32.9 million tonnes at a mean grade of 0.62% V₂O₅ equating to 203,364 contained tonnes of vanadium pentoxide ("V₂O₅"). In the system of reserve estimation used in Kazakhstan the reserves are estimated to be over 70m tonnes in ore-bodies 1 to 5 but this does not include the full depth of ore-bodies 2 to 5 or the remaining ore-bodies which remain substantially unexplored.

The Project will be developed in two stages, Stage 1 and Stage 2, treating 1m tonnes per year and an additional 3m tonnes per year. Production will be some 5,600 tonnes of V₂O₅ from Stage 1, rising to 22,400 tonnes V₂O₅ after Stage 2 is commissioned.

There is an existing concentrate processing operation at the site of the Balasausqandiq deposit. The production facilities were originally created from a 15,000 tonnes per year pilot plant which was then expanded and adapted to recover vanadium, molybdenum and nickel from purchased concentrates.

The existing operation is located on the same site and uses some of the same infrastructure as the Project, but is a separate operation which will continue in parallel with the development and operation of the Project.